

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

INTERIM FINANCIAL STATEMENTS

FOR THE THREE – MONTH AND SIX - MONTH PERIODS ENDED JUNE 30, 2004

AND

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

EXPRESSED IN

THAI BAHT

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of the Bangchak Petroleum Public Company Limited

We have reviewed the consolidated balance sheet of the Bangchak Petroleum Public Company Limited and its subsidiaries as of June 30, 2004, and the related consolidated statements of income for the three – month and the six – month periods ended June 30, 2004 and statements of changes in shareholders' equity and cash flows for the six - month period then ended. We have also reviewed the financial statements for the same periods of the Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our review. The comparative consolidated balance sheets and balance sheets of the Bangchak Petroleum Public Company Limited for the year ended December 31, 2003 and three-month and six-month periods ended June 30, 2003 were audited and reviewed by the other auditor with an unqualified opinion reported on February 25, 2004 and unqualified review report on August 6, 2003.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's and its subsidiaries' personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, we do not express an opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

(KESREE NARONGDEJ)
Certified Public Account
Registration No. 76

A.M.T. & ASSOCIATES
Bangkok, Thailand
July 30, 2004

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

INTERIM FINANCIAL STATEMENTS
FOR THE THREE – MONTH AND SIX - MONTH PERIODS ENDED JUNE 30, 2004
AND
REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

EXPRESSED IN

THAI BAHT

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	NOTE	CONSOLIDATED		THE COMPANY ONLY	
		As of 30 Th	As of 31 ST	As of 30 Th	As of 31 ST
		June	December	June	December
		2004	2003	2004	2003
		(Unaudited/ but reviewed)	(Audited)	(Unaudited/ but reviewed)	(Audited)
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	1,172,089,199	3,522,502,394	974,949,286	3,348,494,142
Temporary Investment		207,299	206,781	-	-
Trade accounts receivable - net					
Related parties	3.1	-	-	374,448,281	356,618,614
Other parties	5	3,401,022,616	2,457,507,939	3,384,058,352	2,437,344,954
Inventories - net	6	7,451,164,574	5,565,162,560	7,271,526,768	5,396,180,190
Other current assets					
Material and Supplies - net	7	336,993,946	333,433,065	336,993,946	333,433,065
Others		769,788,582	160,413,484	755,503,305	142,941,228
Total Current Assets		<u>13,131,266,216</u>	<u>12,039,226,223</u>	<u>13,097,479,938</u>	<u>12,015,012,193</u>
NON-CURRENT ASSETS					
Investments for using the equity method	3.2	-	-	-	-
Other long-term investments	8	5,614,344	5,654,700	4,714,344	4,754,700
Tariff prepayment - net	9	38,476,620	45,489,600	38,476,620	45,489,600
Long-term loans to related parties	3.3	7,100,000	10,800,000	-	-
Property, plant and equipment - net	10	14,139,992,685	14,470,719,528	14,131,785,054	14,459,265,428
Intangible assets - net	11	1,478,755,175	973,113,888	1,478,755,175	973,113,888
Investment in service station - net	12	520,668,666	537,690,129	520,668,665	537,690,129
Other non-current assets					
Deferred income tax assets	13	97,495,694	95,501,800	97,495,694	95,501,800
Others	14	553,257,432	412,873,232	537,877,386	400,011,090
Total Non-Current Assets		<u>16,841,360,616</u>	<u>16,551,842,877</u>	<u>16,809,772,938</u>	<u>16,515,826,635</u>
TOTAL ASSETS		<u><u>29,972,626,832</u></u>	<u><u>28,591,069,100</u></u>	<u><u>29,907,252,876</u></u>	<u><u>28,530,838,828</u></u>

The accompanying notes to interim financial statements are an integral part of these statement:

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	NOTE	CONSOLIDATED		THE COMPANY ONLY	
		As of 30 Th	As of 31 ST	As of 30 Th	As of 31 ST
		June	December	June	December
		2004	2003	2004	2003
		(Unaudited/ but reviewed)	(Audited)	(Unaudited/ but reviewed)	(Audited)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	15, 16.1	1,900,000,000	8,000,000,000	1,900,000,000	8,000,000,000
Trade accounts payable					
Related parties	3.4	6,772,615	10,411,812	9,527,193	14,362,678
Other parties		4,558,949,652	4,473,312,718	4,503,225,785	4,415,076,278
Current portion of long-term loans	16	2,120,000,000	3,532,500,000	2,120,000,000	3,532,500,000
Early redemption of immatured debenture	16	-	3,900,000,000	-	3,900,000,000
Other short-term loans		-	1,390,823,000	-	1,390,823,000
Other current liabilities:					
Accrued excise tax and oil stabilization fund		227,349,273	266,067,956	227,349,273	266,067,956
Accrued expenses		369,170,907	601,553,512	349,710,752	586,283,796
Others		291,148,527	362,051,445	288,645,428	359,516,564
Total Current Liabilities		9,473,390,974	22,536,720,443	9,398,458,431	22,464,630,272
NON-CURRENT LIABILITIES					
Long-term loans	16	12,345,000,000	2,540,000,000	12,345,000,000	2,540,000,000
Other non-current liabilities:					
Liabilities on long-term lease	11	551,631,820	-	551,631,820	-
Liabilities on service stations leasehold right		92,468,407	112,039,612	92,468,407	112,039,612
Reserve for pension fund		220,357,807	210,337,306	220,357,807	210,337,306
Deferred income tax liabilities	13	34,349,384	35,985,069	34,349,384	35,985,069
Others		91,400,032	98,682,188	79,298,937	87,064,509
Total Non-Current Liabilities		13,335,207,450	2,997,044,175	13,323,106,355	2,985,426,496
Total Liabilities		22,808,598,424	25,533,764,618	22,721,564,786	25,450,056,768

The accompanying notes to interim financial statements are an integral part of these statement:

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
		As of 30 Th	As of 31 ST	As of 30 Th	As of 31 ST
		June	December	June	December
NOTE		2004	2003	2004	2003
		(Unaudited/ but reviewed)	(Audited)	(Unaudited/ but reviewed)	(Audited)
SHAREHOLDERS' EQUITY					
	Share Capital - Par Value Baht 1.00 per share	25			
Authorized share capital					
Common share 1,032,761,220 shares in 2004 and					
Common share 522,040,940 shares in 2003					
		1,032,761,220	522,040,940	1,032,761,220	522,040,940
Issued and paid - up share capital					
Common share 753,040,940 shares in 2004 and					
Common share 522,040,940 shares in 2003					
		753,040,940	522,040,940	753,040,940	522,040,940
Capital Surplus					
	Premium on share capital	302,992,006	-	302,992,006	-
	Surplus on fixed assets revaluation	4,836,148,992	4,947,867,230	4,836,148,992	4,947,867,230
Retained earning (deficit)					
	Appropriated – legal reserve	-	-	-	-
	Unappropriated	1,271,304,416	(2,413,141,747)	1,293,506,152	(2,389,126,110)
	Total Equity of Parent Company's Shareholders	7,163,486,354	3,056,766,423	7,185,688,090	3,080,782,060
	Minority interests	542,054	538,059	-	-
	Total Shareholders' Equity	7,164,028,408	3,057,304,482	7,185,688,090	3,080,782,060
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		29,972,626,832	28,591,069,100	29,907,252,876	28,530,838,828

The accompanying notes to interim financial statements are an integral part of these statement:

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Pichai Chunhavajira*

(Pichai Chunhavajira)

Director

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004 AND 2003

	NOTE	B A H T		
		CONSOLIDATED	THE COMPANY ONLY	
		2004	2004	2003
REVENUES				
Sales	17	37,132,362,253	36,681,397,038	29,224,478,119
Other incomes				
Interest income		10,872,784	10,599,078	18,137,121
Gain from foreign exchange	18	-	-	78,568,649
Gain from crude oil and product oil price hedging contract		-	-	27,290,648
Others		58,916,018	42,016,243	51,654,287
Total Revenues		<u>37,202,151,055</u>	<u>36,734,012,359</u>	<u>29,400,128,824</u>
EXPENSES				
Cost of sales		34,371,581,037	34,105,263,572	28,565,274,728
Selling and administrative expenses		790,128,877	593,534,045	629,027,299
Other expenses				
Depreciation		146,967,890	143,590,327	144,129,791
Directors' remuneration		809,750	779,750	879,384
Loss from crude oil and product oil price hedging contract	23.3 18	102,167,833	102,167,833	-
Loss from foreign exchange		73,545,536	73,545,536	-
Share of losses from investments for using the equity method		-	-	665,117
Total Expenses		<u>35,485,200,923</u>	<u>35,018,881,063</u>	<u>29,339,976,319</u>
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		1,716,950,132	1,715,131,296	60,152,505
Interest expenses	19	(425,255,663)	(425,254,723)	(550,332,075)
Income tax	13	3,629,579	3,629,579	(743,542)
PROFIT (LOSS) AFTER INCOME TAX		1,295,324,048	1,293,506,152	(490,923,112)
MINORITY INTERESTS		(3,995)	-	-
NET PROFIT (LOSS)		<u><u>1,295,320,053</u></u>	<u><u>1,293,506,152</u></u>	<u><u>(490,923,112)</u></u>
BASIC EARNING PER SHARE				
Earning per share (Baht)	20	1.81	1.81	(0.94)
Number of weighted average shares (shares)		716,233,248	716,233,248	522,040,940
DILUTED EARNING PER SHARE				
Earning per share (Baht)	20	1.41	1.41	(0.94)
Number of weighted average shares (shares)		951,382,714	951,382,714	522,040,940

The accompanying notes to interim financial statements are an integral part of these statements.

(Signed) *General Tawat Ked-Unkoon*
(General Tawat Ked-Unkoon)
Chairman

(Signed) *Pichai Chunhavajira*
(Pichai Chunhavajira)
Director

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2004 AND 2003

	NOTE	B A H T		
		CONSOLIDATED	THE COMPANY ONLY	
		2004	2004	2003
REVENUES				
Sales	17	18,481,730,437	18,275,758,024	14,827,390,767
Other incomes				
Interest income		2,841,160	2,571,676	7,299,313
Gain from foreign exchange	18	-	-	54,040,182
Gain from crude oil and product oil price hedging contract		-	-	71,498,715
Others		25,270,431	19,146,062	10,492,069
Total Revenues		18,509,842,028	18,297,475,762	14,970,721,046
EXPENSES				
Cost of sales		17,083,587,025	16,970,302,564	15,203,886,187
Selling and administrative expenses		399,690,271	303,896,144	327,452,185
Other expenses				
Depreciation		73,952,702	71,457,316	71,757,758
Directors' remuneration		624,500	609,500	792,384
Loss from crude oil and product oil price hedging contract	23.3	18,473,920	18,473,920	-
Loss from foreign exchange	18	106,261,658	106,261,658	-
Share of losses from investments for using the equity method		-	-	1,390,317
Total Expenses		17,682,590,076	17,471,001,102	15,605,278,831
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		827,251,952	826,474,660	(634,557,785)
Interest expenses	19	(182,691,450)	(182,690,510)	(276,180,647)
Income tax	13	3,427,342	3,427,342	(2,403,173)
PROFIT (LOSS) AFTER INCOME TAX		647,987,844	647,211,492	(913,141,605)
MINORITY INTERESTS		(2,449)	-	-
NET PROFIT (LOSS)		647,985,395	647,211,492	(913,141,605)
BASIC EARNING PER SHARE				
Earning per share (Baht)	20	0.86	0.86	(1.75)
Number of weighted average shares (shares)		753,040,940	753,040,940	522,040,940
DILUTED EARNING PER SHARE				
Earning per share (Baht)	20	0.67	0.67	(1.75)
Number of weighted average shares (shares)		1,032,761,220	1,032,761,220	522,040,940

The accompanying notes to interim financial statements are an integral part of these statements.

(Signed) *General Tawat Ked-Unkoon*
 (General Tawat Ked-Unkoon)
 Chairman

(Signed) *Pichai Chunhavajira*
 (Pichai Chunhavajira)
 Director

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004

	BAHT						
	Issue and paid - up share capital	Premium on Share capital	Surplus on fixed assets revaluation	Retained earning (Deficit)		Minority interests	Total
				Appropriated legal reserve	Unappropriated		
Beginning balance as at January 1, 2004	522,040,940	-	4,947,867,230	-	(2,413,141,747)	538,059	3,057,304,482
Issued and paid - up share capital	231,000,000	-	-	-	-	-	231,000,000
Premium on share capital	-	2,692,118,116	-	-	-	-	2,692,118,116
Decrease premium on share capital for reduction of accumulated deficits	-	(2,389,126,110)	-	-	2,389,126,110	-	-
Transaction not recognised in the income statement - Depreciation on the fixed assets revaluation	-	-	(111,718,238)	-	-	-	(111,718,238)
Net profit (loss)	-	-	-	-	1,295,320,053	3,995	1,295,324,048
Ending balance as at June 30, 2004	<u>753,040,940</u>	<u>302,992,006</u>	<u>4,836,148,992</u>	<u>-</u>	<u>1,271,304,416</u>	<u>542,054</u>	<u>7,164,028,408</u>

The accompanying notes to interim financial statements are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****THE COMPANY ONLY****FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004 AND 2003**

	BAHT					Total
	Issue and paid - up share capital	Premium on Share capital	Surplus on fixed assets revaluation	Retained earning (Deficit)		
				Appropriated legal reserve	Unappropriated	
Beginning balance as at January 1, 2003	5,220,409,400	2,007,950,671	5,178,142,754	547,594,555	(8,367,991,961)	4,586,105,419
Transaction not recognised in the income statement						
- Depreciation on the fixed assets revaluation	-	-	(282,086,130)	-	-	(282,086,130)
Net profit (loss)	-	-	-	-	(490,923,112)	(490,923,112)
Ending balance as at June 30, 2003	<u>5,220,409,400</u>	<u>2,007,950,671</u>	<u>4,896,056,624</u>	<u>547,594,555</u>	<u>(8,858,915,073)</u>	<u>3,813,096,177</u>
Beginning balance as at January 1, 2004	522,040,940	-	4,947,867,230	-	(2,389,126,110)	3,080,782,060
Issued and paid - up share capital	231,000,000	-	-	-	-	231,000,000
Premium on share capital	-	2,692,118,116	-	-	-	2,692,118,116
Decrease premium on share capital						
for reduction of accumulated deficits	-	(2,389,126,110)	-	-	2,389,126,110	-
Transaction not recognised in the income statement						
- Depreciation on the fixed assets revaluation	-	-	(111,718,238)	-	-	(111,718,238)
Net profit (loss)	-	-	-	-	1,293,506,152	1,293,506,152
Ending balance as at June 30, 2004	<u>753,040,940</u>	<u>302,992,006</u>	<u>4,836,148,992</u>	<u>-</u>	<u>1,293,506,152</u>	<u>7,185,688,090</u>

The accompanying notes to interim financial statements are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENTS OF CASH FLOWS****FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004 AND 2003**

	B A H T		
	CONSOLIDATED	THE COMPANY ONLY	
	2004	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES :			
Net profit (loss)	1,295,320,053	1,293,506,152	(490,923,112)
Adjustments to reconcile net profit to net cash provided by (used in) Operating Activities			
Depreciation	289,777,739	286,400,176	441,252,291
Bad debt and doubtful debts	6,587,270	5,306,870	4,950,566
Amortization	80,361,369	80,361,369	79,145,055
Loss (gain) from foreign exchange	16,840,041	16,840,041	(5,591,553)
Deferred income tax	(3,629,579)	(3,629,579)	743,542
Loss (gain) from fixed assets disposal	(5,842,856)	(5,863,535)	(15,410,107)
Reserve for pension fund	10,020,501	10,020,501	3,623,604
Deferred revenue	(3,732,246)	(3,732,246)	(2,155,175)
Loss (gain) on investments for using the equity method	-	-	665,117
Minority interests	3,995	-	-
Operating gain before changes in operating assets and liabilities	<u>1,685,706,287</u>	<u>1,679,209,749</u>	<u>16,300,228</u>
Operating assets (increase), decrease			
Trade accounts receivable	(890,107,341)	(911,804,805)	(102,320,324)
Inventories	(1,886,002,014)	(1,875,346,578)	(236,306,954)
Other current assets	(614,120,957)	(616,058,459)	(10,656,647)
Operating liabilities increase, (decrease)			
Trade accounts payable	62,372,336	63,688,621	1,643,767,552
Other current liabilities	(393,230,749)	(397,389,406)	(158,448,839)
Other non - current liabilities	(3,549,910)	(4,033,326)	(2,634,020)
Net Cash Provided by (Used in) Operating Activities	<u>(2,038,932,348)</u>	<u>(2,061,734,204)</u>	<u>1,149,700,996</u>

The accompanying notes to interim financial statements are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004 AND 2003

	B A H T		
	CONSOLIDATED	THE COMPANY ONLY	
	2004	2004	2003
CASH FLOWS FROM INVESTING ACTIVITIES :			
Decrease(increase) in temporary investments	(518)	-	-
Decrease(increase) in long-term investments	7,012,980	7,012,980	4,312,035
Decrease(increase) in long-term loans to related parties	3,000,000	-	-
Acquisition in property, plant and equipments	(79,631,948)	(79,480,175)	(101,970,270)
Proceeds from sales of property, plant and equipment	14,705,670	14,705,670	63,634,199
Decrease(increase) in intangible assets	(615,600)	(615,600)	(6,986,168)
Decrease(increase) in other non - current assets	(180,746,547)	(178,228,643)	(47,013,810)
Net Cash Provide by (Used in) Investing Activities	<u>(236,275,963)</u>	<u>(236,605,768)</u>	<u>(88,024,014)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase(decrease) in bank overdrafts and short-term loans from financial institutions	(6,100,000,000)	(6,100,000,000)	5,711,205,663
Increase(decrease) in other short - term loan	(1,390,823,000)	(1,390,823,000)	-
Proceeds from long - term loans	11,000,000,000	11,000,000,000	-
Payment of long - term loans	(6,507,500,000)	(6,507,500,000)	(5,802,500,000)
Proceeds from issued and paid-up shares capital	231,000,000	231,000,000	-
Proceeds from premium on shares capital	2,692,118,116	2,692,118,116	-
Net Cash Provided by (Used in) Financing Activities	<u>(75,204,884)</u>	<u>(75,204,884)</u>	<u>(91,294,337)</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET	(2,350,413,195)	(2,373,544,856)	970,382,645
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,522,502,394	3,348,494,142	1,374,422,526
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>1,172,089,199</u>	<u>974,949,286</u>	<u>2,344,805,171</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION			
Cash paid during the periods for			
Interest expenses	641,578,472	641,577,532	629,382,017
Income tax	2,752,894	262,698	-

The accompanying notes to interim financial statements are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE SIX - MONTH PERIOD ENDED JUNE 30, 2004

1. GENERAL INFORMATION

1.1 General matter

The company was incorporated as a limited company under the Civil and Commercial Code on November 8, 1984, and changed its status to a Public Company Limited under the Public Company Limited Act on April 23, 1993. The address of the head office is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The company operates in Thailand and the main business is operating an oil refinery and marketing the finished products through its service stations under its company's brand. The company's oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. As of June 30, 2004 and 2003, the company employed 769 and 758 employees respectively and the employees related expenses were Baht 208.93 million and Baht 203.98 million respectively.

The Bangchak Green Net Co., Ltd., a subsidiary company, was incorporated as a limited company under the Civil and Commercial Code on July 13, 1993. Its head office address is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The company operates in Thailand with its main business being the running of the Bangchak service stations and the consumer goods retail shops under the Lemon Green and the Bi-Chak brand. It also provides other services to accommodate future expansion in the retail business. As of June 30, 2004 and 2003, the company employed 848 and 889 employees respectively and the employees related expenses were Baht 88.15 million and Baht 86.85 million respectively.

1.2 Basis for preparation and presentation of interim financial statements

The interim financial statements of the company are prepared in accordance with the generally accepted accounting standards and presented in brief in accordance with the Department of Business Development announcement on September 14, 2001. The interim financial statements provide additional information from the annual financial statements that were last reported. The interim financial statements should therefore be used in conjunction with the financial statements for the year ended December 31, 2003.

The company's consolidated financial statements incorporate the financial statements of The Bangchak Petroleum Public Company Limited and The Bangchak Green Net Co., Ltd., in which the company holds 49% share, and The Retail Net Co., Ltd., a subsidiary company of The Bangchak Green Net Co., Ltd., in which it holds 99.30% share. For the purpose of the consolidation, all significant intercompany transactions and all intercompany account balances have been eliminated.

1.3 Related parties

Enterprises that directly, or indirectly through one or more intermediaries control, or are under common control of the company are as follows :

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiaries :</u>			
- The Bangchak Green Net Co., Ltd.	Manage BCP service station and consumer goods retailer	Holding and joint directors	49.00%
- The Retail Net Co.,Ltd.	Manage BCP service station	Indirect holding and joint directors	48.66%
- The Bangchak Green Line Co., Ltd.	Fuel transportation. Company is in self liquidation process	Indirect holding and joint directors	49.00%
<u>Related company :</u>			
- Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation	Holding and joint directors	11.41%

The Bangchak Green Net Co., Ltd. accepted the financial statements of The Retail Net Co., Ltd., which were prepared by management and which have not been reviewed by the auditor for the consolidation. Despite of this, the total assets and the profit and loss of The Retail Net Co., Ltd. are considered not to have any major impact on the results of the interim consolidated financial statements of The Bangchak Petroleum Public Company Limited.

The Bangchak Green Net Co., Ltd. did not include The Bangchak Green Line Co., Ltd. in its consolidated financial statements as that company was in the process of self-liquidation.

1.4 Others.

The financial statements of above associated companies are prepared in accordance with generally accepted accounting standards for non-public company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the fiscal year ended December 31, 2003.

3. RELATED PARTY TRANSACTION

The Company had certain accounting transactions with its subsidiary and related companies which were considered normal business practice. The transactions were based on the general market price and in cases where market price was not available, the contract price was used.

Balance of assets, liabilities, account and trading transactions with subsidiary and related companies as of June 30, 2004 are as follow:

3.1 Trade accounts receivable – related parties

	Million Baht			
	Consolidated		The Ccompany Only	
	June 30, 2004	December 31,2003	June 30, 2004	December 31,2003
<u>Subsidiaries</u>				
- The Bangchak Green Net Co., Ltd.	-	-	374.45	356.62
- The Retail Net Co., Ltd.	-	-	-	-
<u>Related Company</u>				
- Fuel Pipeline Transportation Ltd.	-	-	-	-
Total Accounts receivable -				
Related parties net	-	-	374.45	356.62

3.2 Investments for using the equity method

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				Consolidated		
				June 30, 2004		
				Investments		
				Cost Method	Equity Method	Dividend
Subsidiary The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	-	-

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				Consolidated		
				December 31, 2003		
				Investments		
				Cost Method	Equity Method	Dividend
Subsidiary : The Bangchak Green Net Co., ¹	Holding and joint directors	1	49.00%	0.49	-	-

3.3 Long - term loans to related parties

	Million Baht				Borrowing Cost Policy
	Consolidated				
	Balance As Of December 31, 2003	Increase	Receive	Balance As Of June 30, 2004	
Subsidiary					
The Bangchak Green Line Co., Ltd.	13.00	-	(3.00)	10.00	2% Pa.
<u>Less</u> : allowance for doubtful accounts	(2.20)	(0.70)	-	(2.90)	
Total Long – term loan to related Company	10.80	(0.70)	(3.00)	7.10	

3.4 Trade accounts payable – related parties

	Million Baht			
	Consolidated		The Company Only	
	June 30, 2004	December 31, 2003	June 30, 2004	December 31, 2003
<u>Subsidiaries</u>				
- The Bangchak Green Net Co.,Ltd.	-	-	2.75	3.95
- The Retail Net Co.,Ltd.	-	-	-	-
<u>Associated Companies</u>				
- Fuel Pipeline Transportation Ltd.	6.77	10.41	6.77	10.41
Total Account Payable				
- related parties	6.77	10.41	9.52	14.36

3.5 Transaction with related parties

Transaction with related parties for the six-month period as of June 30, 2004 and 2003 are as follow:

	Million Baht		
	Consolidated	The Company Only	
	2004	2004	2003
Revenue from sales of oil	-	2,948.17	2,206.71
Revenue from franchise fee	-	29.61	26.89
Cost of pipeline transportation	45.85	45.85	44.10
Interest expenses	-	-	-

Transfer pricing with the related parties is not differed from unrelated parties.

4. CASH AND CASH EQUIVALENTS

As at June 30, 2004 and December 31, 2003 Cash and cash equivalents consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Cash and deposits at Banks	1,042.09	2,122.50	844.95	1,948.49
Fixed deposit (maturity dates not longer than 3 months)	130.00	1,400.00	130.00	1,400.00
Total	1,172.09	3,522.50	974.95	3,348.49

5. TRADE ACCOUNT RECEIVABLES – OTHER PARTIES NET

As at June 30, 2004 and December 31, 2003, trade account receivables consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Trade accounts receivable - other parties	3,519.54	2,580.07	3,488.69	2,545.34
<u>Less</u> Allowance for doubtful accounts	<u>(118.52)</u>	<u>(122.56)</u>	<u>(104.63)</u>	<u>(108.00)</u>
Trade accounts receivable - other parties – net	<u>3,401.02</u>	<u>2,457.51</u>	<u>3,384.06</u>	<u>2,437.34</u>

As at June 30, 2004 and December 31, 2003, the overdue trade accounts receivable are classified by aging as follows:

	Million Baht	
	2004	2003
Over than 3 months to 6 months	1.29	1.33
Over than 6 months to 12 months	2.14	4.80
Over than 12 months	125.29	133.31
Total	<u>128.72</u>	<u>139.44</u>

6. INVENTORIES - NET

As at June 30, 2004 and December 31, 2003, Inventories consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Crude oil	4,957.56	3,584.44	4,957.56	3,584.44
Finished oil product	2,451.37	1,907.12	2,337.96	1,812.66
Consumer product	66.85	74.52	-	-
<u>Less</u> Allowance for devaluation	<u>(24.62)</u>	<u>(0.92)</u>	<u>(23.99)</u>	<u>(0.92)</u>
Inventories – net	<u>7,451.16</u>	<u>5,565.16</u>	<u>7,271.53</u>	<u>5,396.18</u>

Inventories as at June 30, 2004 and December 31, 2003 are included petroleum legal reserve of 375.28 million liters approximated value Baht 3,606.55 Million and 344.07 million liters approximated value Baht 2,759.51 Million respectively.

7. MATERIAL AND SUPPLIES - NET

As at June 30, 2004 and December 31, 2003, Material and supplies consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Material and supplies	364.81	363.62	364.81	363.62
<u>Less</u> Allowance for obsolescence	<u>(27.82)</u>	<u>(30.19)</u>	<u>(27.82)</u>	<u>(30.19)</u>
Material and supplies – net	<u>336.99</u>	<u>333.43</u>	<u>336.99</u>	<u>333.43</u>

8. OTHER LONG-TERM INVESTMENTS

As at June 30, 2004 and December 31, 2003, Other long-term investments consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
<u>Investment in capital paper</u>				
- Fuel Pipeline Transportation Ltd.	181.75	181.75	181.75	181.75
<u>Less</u> Allowance for impairment	<u>(181.75)</u>	<u>(181.75)</u>	<u>(181.75)</u>	<u>(181.75)</u>
Investment in capital paper – net	-	-	-	-
<u>Investment in commercial paper</u>				
- The Express way Authority of Thailand's bond	5.50	5.50	4.60	4.60
<u>Add</u> Premium on investments	<u>0.11</u>	<u>0.15</u>	<u>0.11</u>	<u>0.15</u>
Total Investment in commercial paper	<u>5.61</u>	<u>5.65</u>	<u>4.71</u>	<u>4.75</u>
Total other long-term investments	<u>5.61</u>	<u>5.65</u>	<u>4.71</u>	<u>4.75</u>

The Company invested in bond issued by The Expressway Authority of Thailand, B.E. 2542 no.1 of 7 years period. The bond with the face value of Baht 1,000 per unit, was registered on November 26, 1998, with maturity on November 26, 2005. The interest rate is 7.88% per annum, which will be paid twice annually in May and November. The company purchased a total of 4,600 units at Baht 5,043,922.03. The premium on the face value of the bond of Baht 443,922.03 was amortized using the straight-line accounting method, spread over the life of the bond. The amortization expense for the six-month period ended June 30, 2004 and June 30, 2003 was equally recorded at Baht 40,356.54.

9 TARIFF PREPAYMENT - NET

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated June 14, 1996. Subsequently, the Company, together with the other FPT creditors agreed on March 3, 1999 to restructure the FPT loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million, of this, Baht 48.75 million was converted to capital stock (preferred stock) on April 30, 1999, leaving the balance of loan as Baht 197.05 million. The loan shall be repaid in accordance with FPT’s cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate MLR-2%) will be paid on a monthly basis. It turned out that FPT was able to repay some part of the loan and due to financial difficulties it could not comply with the agreed terms. Hence, an amendment to the original agreement was made on March 28, 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number 153 periods, with the first payment made on April 30, 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from March 29, 2002. The difference in the interest rates shall be established as a receivable in a suspense account.

The financial statements as at June 30, 2004 shows an outstanding prepaid tariff balance of Baht 168.00 million and the Company has set up allowance for doubtful debt of Baht 129.52 million, the remaining amount is Baht 38.48 million. The difference in the interest rates as calculated in accordance with the loan restructuring agreement, which is pending in the suspense account, shall be written-off if FPT makes full settlement of both the loan principle and the interest, without default, over a three-year period. These terms are specified in the amendment of the loan restructuring agreement. The Company will consider the write-off of interest receivable on an annual basis. For the year 2004, it will write-off the interest receivable, calculated up to December 31, 2001, in the amount of Baht 21.38 million. And in 2005, it will write-off the interest receivable set-up from January 1, 2002 to March 28, 2002 of Baht 2.42 Million. As for the interest from March 29, 2002 to June 30, 2004 of Baht 21.75 million, the Company will consider the write-off on an annual basis. The total interest receivable is Baht 45.55 million and the Company has set up an allowance for doubtful debt of the whole amount.

10. PROPERTY, PLANT AND EQUIPMENT - NET

	Million Baht				As of June 30, 2004
	Consolidated				
	As of December 31, 2003	Increase	Decrease	Transfer	
<u>COST</u> :-					
Land	1,344.78	-	-	-	1,344.78
Buildings	510.61	-	-	-	510.61
Machinery, equipment and refinery plants	22,798.35	-	9.60	35.85	22,824.60
Marketing and office equipment	3,520.69	-	20.94	87.22	3,586.97
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	149.65	-	20.02	0.64	130.27
Construction work in progress	313.84	212.50	128.50	(123.71)	274.13
Total	28,960.62	212.50	179.06	-	28,994.06
<u>Less</u> Accumulated depreciation					
Buildings	282.73	8.57	-	-	291.30
Machinery, equipment and refinery plants	12,112.32	278.35	9.43	-	12,381.24
Marketing and office equipment	1,383.51	104.00	12.62	0.58	1,475.47
Platinum Catalyst	-	-	-	-	-
Vehicles	85.58	7.62	12.90	-	80.30
Total	13,864.14	398.54	34.95	0.58	14,228.31
<u>Less</u> Allowance for impairment					
Land	573.58				573.58
Machinery, equipment and refinery plants	0.56				0.56
Marketing and office equipment	51.62				51.62
Total	625.76				625.76
Property, plant and equipment - net	14,470.72				14,139.99
Depreciation for this period					289.78

	Million Baht				As of June 30, 2004
	The Company Only				
	As of December 31, 2003	Increase	Decrease	Transfer	
COST :-					
Land	1,344.78	-	-	-	1,344.78
Buildings	510.61	-	-	-	510.61
Machinery, equipment and refinery plants	22,798.35	-	9.60	35.85	22,824.60
Marketing and office equipment	3,473.19	-	17.80	87.22	3,542.61
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	146.28	-	20.02	0.64	126.90
Construction work in progress	313.84	212.50	128.50	(123.71)	274.13
Total	28,909.75	212.50	175.92	-	28,946.33
Less Accumulated depreciation					
Buildings	282.73	8.57	-	-	291.30
Machinery, equipment and refinery plants	12,112.32	278.35	9.43	-	12,381.24
Marketing and office equipment	1,344.58	104.00	12.40	0.58	1,436.76
Platinum Catalyst	-	-	-	-	-
Vehicles	85.10	7.28	12.90	-	79.48
Total	13,824.73	398.20	34.73	0.58	14,188.78
Less Allowance for impairment					
Land	573.58				573.58
Machinery, equipment and refinery plants	0.56				0.56
Marketing and office equipment	51.62				51.62
Total	625.76				625.76
Property, plant and equipment - net	14,459.26				14,131.79
Depreciation for this period					286.40

11. INTANGIBLE ASSETS - NET

As at June 30, 2004 and December 31, 2003, Intangible assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Cost				
Leasehold right	2,128.21	1,577.15	2,128.21	1,577.15
License and development costs of computer software	73.39	72.20	73.39	72.20
Total	2,201.60	1,649.35	2,201.60	1,649.35
Accumulated amortization				
Leasehold right	(645.53)	(600.14)	(645.53)	(600.14)
License and development costs of computer software	(64.15)	(62.94)	(64.15)	(62.94)
Total	(709.68)	(663.08)	(709.68)	(663.08)
Total	1,491.92	986.27	1,491.92	986.27
Less : Allowance for impairment	(13.16)	(13.16)	(13.16)	(13.16)
Intangible assets – net	1,478.76	973.11	1,478.76	973.11

On February 27, 2004, The Treasury Department permitted the Company to pay, by installments, the leasehold fee of Baht 551.63 million covering the extension of the lease agreement of state-owned land on which the company’s refinery and the head office are located. The initial lease agreement, which expires on April 1, 2015, will be extended by 18 years under the new lease agreement, which will expire on March 31, 2033. The installment payments of the mentioned fee will be on an annual basis, commencing from the year 2007-2009 at about Baht 45.97 million per annum, 2010 – 2012 at about Baht 61.29 million per annum and 2013 – 2015 at about Baht 76.62 million per annum. The amounts are recorded as liability, against the long-term leasehold right.

In addition, The Treasury Department also permitted the Company to utilize the mentioned leasehold right to pledge as security against loan and to place the building structures, including machinery on the leased land as collateral for credit facilities from financial institutions. The agreement to this effect is in the process of being signed. The Company has extended the length of the net book value of the leasehold right as at December 31, 2003 of Baht 89.82 million up to March 31, 2033, so as to correspond with terms of the new lease agreement.

12. INVESTMENT IN SERVICE STATIONS

The investment in service stations is for business expansion and the approach taken by the company varies. For example, the Company invests and grants franchise to others to operate or enter into, a joint venture agreement, or with investment made by the operator and the Company providing support. As of June 30, 2004 and December 31, 2003, the balances outstanding in the investment in service station account are Baht 520.67 million and Baht 537.69 million respectively. The amortization expense of Baht 24.90 million on total investment balance was recorded in this accounting period,

13. INCOME TAX AND DEFERRED INCOME TAX

The Company paid income tax on rates under the Revenue Code as follows:

	Tax rates
- The Company	30
Net income for the portion not exceeding Baht 300 million for the accounting period of five years from 2002 to 2006	25
- Subsidiaries	20 – 30

Deferred income tax as at June 30, 2004 and December 31, 2003 are as follows:

	Million Baht	
	Consolidated	The Company Only
Deferred income tax assets		
As at December 31, 2003	95.50	95.50
Income tax expenses	1.99	1.99
As at June 30, 2004	97.49	97.49
Deferred income tax liabilities		
As at December 31, 2003	35.99	35.99
Income tax expenses	(1.64)	(1.64)
As at June 30, 2004	34.35	34.35

Deferred income tax assets mainly comprised allowance for doubtful accounts and pension fund reserve, and deferred income tax liabilities mainly comprised accumulated depreciation of equipment.

14. OTHER NON-CURRENT ASSETS – OTHERS

As at June 30, 2004 and December 31, 2003, Other non-current assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
14.1 Fixed deposit for staff welfare	162.20	162.20	162.20	162.20
14.2 Deposit for crude and product oil price hedging contract	97.27	72.16	97.27	72.16
14.3 Deferred expenses for the issuance of debentures and long-term loans	107.90	-	107.90	-
14.4 Other	185.89	178.51	170.51	165.65
Total	553.26	412.87	537.88	400.01

14.1 Fixed deposit for staff welfare

As of June 30, 2004 and December 31, 2003, the Company had a fixed deposit fund in a bank of Baht 162.20 million with interest of 0%. The deposit is maintained to allow employees obtain credit facilities from the mentioned bank.

14.2 Deposit for crude and product oil price hedging contract

The Company made forward contracts with several overseas traders with different amounts of deposit to protect against risk from the fluctuation of crude and product oil prices. Some traders request the Company to pledge initial deposit as per the initial agreement or even more afterwards in cases where the market price deviates in the direction which the Company loses and has to settle the balance. The traders preserve the right to request the Company to transfer deposit in the similar amount that the Company has to settle in each day. The traders commit to pay interest in the agreed rate for the deposit. Vice versa, in case that the market price deviates in the direction which the Company gains, the Company preserves the right to request the traders to transfer partial or all of the deposits to the Company.

14.3 Deferred expenses for the issuance of debentures and long-term loans

In January 2004, the Company issued Baht 4,000 million convertible debentures and in February 2004, the Company entered a loan contract with Krung Thai Bank Public Company Limited for Baht 12,500 million credit line. The Company paid fees for into the issuance of convertible debentures, expenses for the loans and other expenses in the amount of Baht 112.94 million. This was recorded as deferred expenses for the issuance of debentures and long-term loans and amortized using the straight line accounting method based on the loan life and weighted with the debt balance.

For the period ended June 30, 2004, the total amortized expenses on loans and issuance of the convertible debentures was Baht 5.04 million.

15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at June 30, 2004 and December 31, 2003 bank overdrafts and short-term loans from financial institutions consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Promissory Notes	1,900	8,000	1,900	8,000
Total	1,900	8,000	1,900	8,000

As at June 30, 2004, the promissory notes with interest rate at 3.875% per annum will be due in July 2004. These loans form part of the amount covered by collateral mentioned in Note 16.1.

As at December 31, 2003, the promissory notes with interest rate from 1.65 to 5.75% per annum will be due in January 2004 to March 2004.

16. LONG-TERM LOANS

As at June 30, 2004 and December 31, 2003 long-term loans consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Loans from bank	7,000.00	-	7,000.00	-
Debentures	3,170.00	7,657.50	3,170.00	7,657.50
Convertible debentures	4,000.00	-	4,000.00	-
Promissory notes	295.00	2,315.00	295.00	2,315.00
Total	14,465.00	9,972.50	14,465.00	9,972.50
Less : current portion of long-term loans	(2,120.00)	(3,532.50)	(2,120.00)	(3,532.50)
Less : portion of early redemption of Debentures	-	(3,900.00)	-	(3,900.00)
Long-term loans	12,345.00	2,540.00	12,345.00	2,540.00

16.1 Loans from bank

The Company has entered a loan contract with Krung Thai Bank Public Company Limited by pledging the Company's assets as collateral for Baht 12,500 million credit line which are divided into Baht 8,500 million 10-year long-term loans and Baht 4,000 million 10-year working capital short-term loans. As at June 30, 2004 the Company has drawn working capital short-term loans of Baht 1,900 million and long-term loans of Baht 7,000 million.

16.2 Debentures

As at June 30, 2004, the unsecured, unsubordinated registered debentures with the holders' names amounting to 3,420,000 units, totaling Baht 3,170 million, with interest rate from 5.0 to 7.75% per annum, were as follows:

No	Maturity Date	Interest Due Date
7/2543	Feb. 02, 2005	Feb 02 and Aug 02 of each year
18/2543	Nov. 28, 2004	May 28 and Nov 28 of each year
19/2543	Nov. 30, 2004	May 30 and Nov 30 of each year
20/2544	Mar. 29, 2005	Mar 29 and Sep 29 of each year
24/2545	Dec. 02, 2005	Jun 02 and Dec 02 of each year
25/2545	Dec. 02, 2007	Jun 02 and Dec 02 of each year

16.3 Convertible debentures

On January 29, 2004, the Company issued 400,000 units of unsecured, convertible into common stock, subordinated registered debentures with holders' names. The instruments have a face value of Baht 10,000 per unit, with a 10-year maturing period and with interest of 3% per annum. The convertible value of the debenture is Baht 14.30 per one common stock. The issuance of the convertible debentures form part of the financial restructuring plan, approved by the cabinet on July 8, 2003; in which offerings are made to investing institution in the form of depository receipt against benefits derived from the convertible debentures. The issuance of the depository receipt is made by the Siam DR Co., Ltd.(which is 99% owned by The Stock Exchange of Thailand) on the basis of one depository receipt for one convertible debenture. The Ministry of Finance guarantees the investment and offers to buy back the depository receipts at the initial offered price of Baht 10,000 per unit; as specified under the term, of the depository receipts.

The holders of the depository receipts can exchange them for convertible debentures and convert the debentures into common stock. Such conversion, however, must be done on every 30th day of March, June, September and December of each year. The first conversion commences on June 30, 2547 and ends on September 30, 2553. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures.

16.4 Promissory note

Transferable and unsecured promissory note of baht 150 million will be matured in the year 2005 with interest rate of 5.50% per annum and Baht 145 million in the year 2007 with interest rate of 6.25% per annum.

17. SALES

Sale revenue for six months ended June 30, 2004 and 2003 are as follows:

	Million Baht		
	Consolidated	The Company Only	
	2004	2004	2003
Sales revenue from fuel products	37,099.69	36,631.19	29,174.97
Income from investment charge	32.67	50.21	49.51
Total	37,132.36	36,681.40	29,224.48

18. GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for six months ended June 30, 2004 and 2003 are as follows:

	Million Baht		
	Consolidated	The Company Only	
	2004	2004	2003
Realized gain (loss) from foreign exchange fluctuations	(56.71)	(56.71)	72.98
Unrealized gain(loss) from foreign exchange fluctuations	(16.84)	(16.84)	5.59
Total	(73.55)	(73.55)	78.57

19. INTEREST EXPENSE

The total interest for this period is Baht 425.83 million, of which Baht 0.58 million is recorded as cost of work in progress and Baht 425.25 million as expense.

20. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three months ended June 30, 2004					
	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	647.99	753.04	0.86	647.21	753.04	0.86
Effect of dilutive potential ordinary shares	45.54	279.72		45.54	279.72	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	693.53	1,032.76	0.67	692.75	1,032.76	0.67

For the six months ended June 30, 2004

	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	1,295.32	716.23	1.81	1,293.51	716.23	1.81
Effect of dilutive potential ordinary shares	45.54	235.15		45.54	235.15	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	1,340.86	951.38	1.41	1,339.05	951.38	1.41

21. PROVIDENT FUND

The Company established a contributory provident covering substantially all employees. Members are required to make monthly contribution to the fund at 5%-10% of the members' salaries and the Company is required to make monthly contribution at the same amount

22. CONTINGENT LIABILITES

22.1 Liabilities on guarantees

As at June 30, 2004, the Company's total liabilities in the form of bank guarantees amounted to Baht 240.58 million. These guarantees are mainly to cover the corporate income tax refunds, electricity usage and the tele-communication contract with the Telephone Organization of Thailand.

22.2 Allegation

On April 30, 2003 the civil court dismissed the case lodged against the Ministry of Finance (the first defendant) and the Company (the fifth defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery. The case is being appealed with the appeal court.

23. DISCLOSURE FOR FINANCIAL INSTRUMENTS

23.1 Risk from foreign exchange rate

The Company faces the risk in foreign exchange rate as the Company's cost of goods and revenue are tied to US Dollar. The essentially major costs are crude and oil products imported from overseas in US Dollar. The selling price in Thai Baht is derived from the oil product prices in Singapore market in US Dollar multiplied by the exchange rate of US Dollar against Thai Baht on the selling date. To safeguard against risk from the fluctuation of foreign exchange, the Company applies the financial instrument to manage the risk by entering into forward contracts on foreign exchange.

23.2 Risk from interest rate

The interest rate risk depends on the fluctuation of the interest rate in the financial market, which could impact on the Company's operations and its cash flows. However, management believes that the risk is insignificant in the current financial market because the Company's outstanding debt is small compared with its annual income and net cash flow.

23.3 Risk from product oil price in the global market

Over 90% of the Company's cost is related to oil. The price of crude oil and finished oil products will fluctuate in accordance with the buying and selling price in the global market. The price of crude oil against each purchase is based on the average benchmark price in the month of delivery. Purchases of finished oil products are based on the Singapore market price at the time of delivery. From the time of crude transfers to the sale of finished products to customers takes two to three months. As such, there is the risk arising from price fluctuation due to the timing difference. There is also the risk in the inventory value at the end of the accounting period being lower than the beginning period. In order to safeguard against such risks, the Company has established a risk management committee to monitor oil purchases, to assess situations and the trend in prices. The committee establishes policies related to oil purchases, inventory level and also the instruments for managing risks in the market. The Company also enters into forward contracts with oil traders to minimize the risk from price fluctuation.

In this period, the Company realized Baht 102.17 million, from the difference in the world's oil market price being higher than the forward contract price. As of June 30, 2004, the Company has an agreement guaranteeing the future buying and selling price of 0.07 million barrels of oil with a net receivable value of Baht 6.61 million.

23.4 Risk from credit term

Credit risk refers to the risk that trade accounts receivable may default in its obligations resulting in a financial loss to the Company. However, since the Company currently sells its products to creditworthy customers, it does not anticipate any

material problem in collecting its debts. The concentration of credit risk with respect to trade receivable is limited as company debtors are spread over different type of businesses.

The carrying amount of accounts receivables recorded as shown in the balance sheets, net of a portion of allowance for doubtful debts, represents the maximum exposure to credit risk.

23.5 Fair value

The management believes that the fair value of the Company's financial assets and liabilities does not materially differ from their carrying value.

24. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statement of income of the Company segmented by type of business for the six months ended June 30, 2004 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	35,711.24	19,911.02	(18,940.86)	36,681.40
Cost of sales	33,941.60	19,104.53	(18,940.86)	34,105.27
Gross margin	1,769.64	806.49	-	2,576.13
Selling and administrative expenses	(93.53)	(434.33)	-	(527.86)
Other incomes (expenses)	(177.13)	31.53	-	(145.60)
Depreciation and Amortization	(5.29)	(204.75)	-	(210.04)
EBIT	1,493.69	198.94	-	1,692.63
Gain from foreign exchange fluctuations of Loan				11.90
Interest-net				(414.65)
Income Tax				3.63
Net Profit				1,293.51
EBITDA	1,655.66	403.69	-	2,059.35

25. SUBSEQUENT EVENTS AFTER THE BALANCE SHEETS DATE

According to the resolutions of the General Meeting of the Shareholders Meeting on April 29, 2004, the Company has proceeded with the following :-

- 25.1 On July 6, 2004, the Company has registered with the Ministry of Commerce, the reduction in the Company's registered share capital from Baht 1,032,761,220 to Baht 843,143,461 and the paid up share capital from Baht 753,040,940 to Baht 563,423,181. These changes were due to the reduction of 189,617,759 shares held by the Siam DR Co., Ltd. so as to be consistent with the number of "Depository Receipts of BCP's Ordinary Shares (DR)" which were issued and offered by the Siam DR Co., Ltd. The Company received consent from the Siam DR Co., Ltd. for reducing the mentioned number of shares without capital payback. The Company also received approval to transfer the proceeds from the said share reduction of Baht 189,617,759 to the account, Capital Surplus on Registered and Paid-Up Share Reduction.
- 25.2 On July 7, 2004, the Company has registered with the Ministry of Commerce the increase in share capital of 24 million shares which raised the share capital amount from Baht 843,143,461 to Baht 867,143,461. This increase is to allow the exercise of right under the warrants for the purchase of ordinary shares by the directors, management and employees of the Company and The Bangchak Green Net Co., Ltd. and /or people who were given their buying rights, as well as the ESOP Plan Administrator.
- 25.3 On July 8, 2004, the Company has registered with the Ministry of Commerce the increase in the paid up shares from Baht 563,423,181 to Baht 591,531,566. This derived from 27 depository receipt holders who, on June 30, 2004, redeemed 40,195 depository receipts with face value of Baht 10,000 each and converted them to 28,108,385 ordinary shares, with the convertible price of Baht 14.30 per unit. Following this conversion of depository receipts, the balance of deposit receipts remaining was 359,805 units.

26. RECLASSIFICATION OF ACCOUNTS

Some transactions in these financial statements for the year ended December 31, 2003 and for the period ended June 30, 2003, have been reclassified to conform with the financial statement presentation for the period ended June 30, 2004.

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